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SIPDIS

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SUBJECT: NEW FAYYAD GOVERNMENT FORMED

Classified By: Consul General Jake Walles for reasons 1.4 (b) and (d)

¶1. (C) Summary. A new Palestinian Authority (PA) cabinet under the leadership of PM Salam Fayyad was sworn in on May 19 by PA President Mahmud Abbas (Abu Mazen). Coming after a difficult, prolonged negotiation over Ministerial positions, the new government includes representatives from four political factions, including Fatah. Two ministers are yet to be sworn in as they were blocked by Hamas trying to depart Gaza. Speaking at a press conference on May 20 following the government's first cabinet meeting, PM Fayyad stated the government's commitment to the PLO political platform and adherence to the PLO's previous commitments.

¶2. (C) The new cabinet includes strong additions, particularly in the economic sphere, and maintains Fayyad's personal control over the vital Ministry of Finance. While Fayyad had hoped to retain the previous Minister of Interior, with whom the USG has worked closely since 2007, Fayyad is pleased with the newly appointed Minister, Said Abu Ali, whom we know well and expect to be a cooperative partner. In other areas, including Justice and Foreign Affairs, Fayyad was unable to make the much needed changes he wanted. The circumstances of the government's creation, particularly the friction within Fatah, have weakened its political standing, but it appears likely to provide Fayyad a more competent and politically stronger cabinet than its predecessor. Biographies below. End Summary.

A Government At Last

¶3. (U) Abu Mazen swore in a new PA government on May 19 in Ramallah. The cabinet, under returning PM and Minister of Finance Salam Fayyad, includes a total of 25 ministers and ministerial-level portfolios. The cabinet includes representatives from four political factions: ten ministers affiliated or from Fatah, and one each from the Democratic Front for the Liberation of Palestine (DFLP), the Palestine Democratic Union (FIDA), and the National Struggle Front (NSF). The remainder are independents. There are four women in the cabinet. (Note: Two of the Fatah ministers were not sworn in on May 19 as Hamas prevented them from leaving Gaza. For their own safety, Fayyad is not publicizing their names or situation. End Note.)

¶4. (C) Fighting within Abu Mazen's Fatah party prolonged the process of appointing the government and led Fatah PLC members publicly to reject the government (despite Fatah's participation in it) shortly before it was sworn in. Two Fatah PLC members (Issa Qaraqi and Rabiha Diab) turned down cabinet posts at the last minute, forcing Fayyad to leave the Women's Affairs and Prisoners portfolios vacant for the time being. However, as the PLC is unable to convene a quorum, the Fatah bloc's rejection of the government is largely symbolic, though it serves to lessen the political boost that

both Fayyad and Abu Mazen hoped to get from the announcement.

15. (C) In a conversation with the Consul General on the morning of May 20, PM Fayyad was upbeat, focusing on the way forward and not on the problems of the past two months in putting together the government. He noted the continuing agitation against the government by some elements in Fatah, including efforts to stir up Fatah controlled employee unions against the government. Fayyad said he believes these problems will dissipate after a few weeks as the government begins to get out a positive message of providing services to the people.

16. (U) Following the government's first cabinet meeting on May 20, Fayyad said at a news conference that the government's program is that of the Palestinian Liberation Organization and it will be bound by the PLO's previous commitments, implicitly accepting the Quartet requirements. He said the government would serve until a national unity government is formed, and he stressed that the government will strive to meet the needs of the people of Gaza.

Hammas (Predictably) Reacts

17. (U) Hammas senior official Salah al Bardawil told the press that Hammas considers Fayyad's government illegal, and said Abu Mazen has "compounded this situation" by reappointing him. Hammas PLC member Mushir Al Masri previously stated that a new government under PM Fayyad would be "a death sentence" for the reconciliation dialogue in Cairo.

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Cabinet Biographies

18. (SBU) Cabinet members sworn in to Salam Fayyad's second government:

1) Prime Minister / Minister of Finance: Salam Fayyad - Independent; incumbent

Fayyad, 55, has been Prime Minister since June 2007. He enjoys broad international respect for his introduction of core reforms of the PA's financial institutions when he assumed the Finance Ministry for the first time in June 2002 under former President Arafat. Born in Der al-Ghsoun Village in Tulkarem in 1952, Fayyad grew up in Nablus before he moved to Jordan with his family. Fayyad earned a BS from the American University in Beirut, an MA from Saint Andrews University in Austin, Texas, and his PhD in Economics from the University of Texas at Austin. He was appointed by President Arafat as Finance Minister in June 2002; he remained in that post until he resigned at the end of 2005 to run in the PLC elections, winning a seat representing "The Third Way" party. He was re-appointed Finance Minister in March 2007 under the national unity government.

2) Interior: Dr. Said Abu Ali - Fatah; newly appointed

Previously the governor of Ramallah, Abu Ali is in his late 50s. He is well-respected by Fayyad and has worked closely with the Consulate in recent years. He worked in the Fatah offices in Tunis and was educated in France. He has a PhD in a constitutional law. He teaches part-time at Birzeit and Al Quds universities. He returned to Gaza and worked as the head of the Fatah intellectual affairs department in Gaza until early 2000. He then moved to the West Bank where he served in the President's office and as Governor of Nablus before being appointed as governor of Ramallah.

3) Foreign Affairs: Riad al-Malki - Independent; incumbent

Al-Malki was born in 1955 and earned a PhD in Civil Engineering in the United States. In 1978, he worked in the

engineering department of Birzeit University and eventually headed the department. In 1991 he founded the Panorama Center. In 2000 he was awarded the European Peace Prize and in 2005 the Italian Peace Prize. He is also the coordinator of an alliance of over a dozen civil society institutions called the Arab Program to Support and Develop Democracy.

4) Planning: Dr. Ali Jirbawi - Independent; newly appointed

Born in Jenin in 1954, Jirbawi holds a BA in Sociology from Birzeit University, an MA in Political Science, an MA in Public Administration, and a PhD in Political Science from the University of Cincinnati. At Birzeit University, he has served as professor of Political Science, assistant to the President, assistant to the Dean of Art, Dean of Students Affairs, and director of the Ibrahim Abu Lughud Institute of International Studies. He has also served as co-chair of the Central Elections Committee, which was set up in 2004 to organize a nationwide registration effort to precede both municipal and national elections.

5) National Economy: Bassim Khoury - Independent; newly appointed

In his late 40s, Khoury was educated in the UK and is a well known industrial pharmacist. He is the founder and General Manager of PharmaCare, one of the West Bank's largest pharmaceutical companies. In 2008-2009 he successfully launched PharmaCare exports to Europe. He has a long and productive relationship with the Consulate and USAID. He has also been president of the Palestinian Federation of Industry for nearly three years, having recently won re-election. Khoury is Christian.

6) Justice: Dr. Ali Khashan - Fatah affiliated; incumbent

Born in Jerusalem in 1956, Khashan holds a PhD in Constitutional Law from France. He worked as Head of the Belgian-Palestinian Friends Society 1987-1991. He is one of the founders of the first Law College at al-Quds University and was Dean of the Law College 1992-2002. He is member of board of trustees in several Palestinian academic institutions, including Hebron University. Since 2002 he has been Secretary of Committee to prepare the Palestinian Constitution. He is representative of the Arab Center for Law Development and Integrity in Palestine.

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7) Health: Fathi Abu Moghli - Fatah affiliated; incumbent

Abu Moghli was born in Nablus in 1950 and graduated from Athens National University's medical school. He specialized in internal medicine and practiced in several hospitals and in the private sector. In 1998 he was appointed the Ministry of Health's director of international projects and coordinator of international financing. In 1999, he was appointed director of the project to develop the Palestinian health system funded by the World Bank and in 2000 he supervised the setting up of the national health emergency plan. He became the head of WHO's local offices in 2004. He has been serving as Minister of Health in the Fayyad government since 2007.

8) Public Works and Housing: Muhammad Shtayeh - Fatah; newly appointed

Shtayeh, in his early 50s, is closely affiliated with Fatah, but is not a senior member. He was born in the village of Tel in Nablus Governorate. He holds a PhD in Economics, and was a lecturer and dean of Birzeit University. Most recently, he was the head of the Palestinian Economic Council for Development and Reconstruction (PECDAR). He previously served as Minister of Public Works in 2005-2006 under former PM Ahmed Qurei.

9) Labor: Dr. Ahmad Majdalani - National Struggle Front; newly appointed

Majdalani was born Damascus in 1956 and holds a PhD in Political Economy from the Social Sciences Academy in Sofia. Majdalani is a member of the Palestinian Popular Struggle Front political bureau and of the PLO National and Central Councils. He is a professor of philosophy and cultural studies at Birzeit University. He is a former PA cabinet minister, and in 2008 was assigned as PLO ambassador to Romania.

10) Education: Ms. Lamis Alami - Independent; incumbent

Alami was born in Jerusalem in 1943. She received a BA in English in 1964 and a Masters in English Literature in 1967 from Beirut University; she earned a Masters in Linguistics from the University of Edinburgh in 1974. She worked as a teacher of English Language at UNRWA Women Training College in Ramallah until 1975. Between 1994-2004, Alami was in charge of education for all UNRWA schools and colleges.

11) Waqf: Mahmud al-Habash - Independent; newly appointed (formerly Minister of Social Affairs)

Al-Habash was born in 1963 in Gaza's Nuseirat Refugee Camp. He holds a Masters in Islamic studies. He was arrested in the first Intifada on charges of incitement and Hamas Gaza membership; he was a former senior member of Hamas' political leadership in Gaza until he split from the group in 1994 and started political work as an independent. He teaches at al Quds Open University. He served as Minister of Social Affairs in the previous government.

12) Agriculture: Ismael Edaiq - Palestinian People's Party; newly appointed

Edaiq was born in 1958 in the Jordan Valley village of al-Awja and holds a masters degree from Russia and a PhD in Agriculture Knowledge from Germany. He previously served as director of the Agricultural Relief Committee.

13) Transport: Saadi al-Krunz - Fatah; newly appointed (formerly Cabinet Secretary)

Born in Gaza's Al-Bureij Refugee Camp in 1958, Al-Krunz holds a Ph.D. in Mathematics and Statistics (Purdue University), an M.Sc. in Mathematics (University of Saskatchewan, Canada) and a B.Sc. in Mathematics (Mansura University, Egypt). Al-Krunz served as the first Minister of Industry in 1994. He also served as the Minister of Transport in 2003. He was cabinet secretary in the previous government.

14) Telecommunications: Mashhour Abu Daqqa - Independent; newly appointed (formerly Minister of Transport)

Born in Jabalia, Gaza, in 1961, Abu Daqqa earned a PhD in Mechanical Engineering in London and worked for several years in scientific research institutes and universities in the UK. He has also worked in the Mechanical Engineering Department

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of Birzeit University and as Director-General of scientific research at the Ministry of Education. He served as Minister of Transport in the previous government.

15) Tourism: Ms. Khuloud Deibes - Independent; incumbent

Deibes was born in Bethlehem in 1965. She holds a PhD in Architecture from Hanover University in Germany. She was Minister of Tourism in the national unity government in 2007. In the previous government she served as both Minister of Women's Affairs and Minister of Tourism. Deibes is Christian.

16) Local Government: Khaled Qawasmeh - Fatah affiliated; newly appointed

Qawasmeh holds a PhD in Electrical Engineering from Ukraine. He worked as an engineer in the Hebron Re-Construction Committee and as a lecturer at al Quds University. He previously served as Minister of Local Government from February 2005 - March 2006. He is from a well-known Hebron family and is the son of senior Fatah / PLO official who was assassinated in Amman by a splinter Fatah group. He is closely affiliated with Fatah although not an official member of the group.

17) Social Affairs: Ms. Majida al-Masri - Democratic Front for the Liberation of Palestine (DFLP); newly appointed

Al-Masri was born in Jaffa in 1947 and earned a BS in Chemistry from the University of Cairo in 1970. Her family moved to Nablus, but she was deported in 1978 due to her political activities. She returned to the West Bank in 1996. She is a member of the DFLP Central Committee.

18) Culture: Ms. Siham al-Barghouti - Palestine Democratic Union (FIDA); newly appointed

Al-Barghouti was born in 1958 in Ramallah and earned a BA in accounting from the University of Alexandria in 1970. She served two years in an Israeli jail (1982-1984). She was a prominent member of DFLP before splitting to join FIDA in the early 1990s. However, due to her DFLP affiliation, she was prevented from traveling for ten years by Israeli authorities. She ran in the PLC elections in 2001 representing FIDA. Today, she is a member of the FIDA political bureau and the head of the Association of Women's Action for Training and Rehabilitation. She has also served as director of the Rural Development Department in the Ministry of Local Government.

19) Minister of State for Jerusalem Affairs: Hatem Abdel Qader - Fatah; newly appointed

Abdel Qader, in his late 40s, was born and raised in Jerusalem's Shu'fat refugee camp. He was educated in Egypt and Jordan and has a BA in media studies. He was imprisoned briefly for Intifada-related activities in the late 1980s. Abdel Qader worked closely with the late Faisal Husseini. Abdel Qader became a member of Fatah's High Committee in 1993, and is known to be a close confidant of the Committee's currently jailed leader, Marwan Barghouti. He has been a Fatah PLC member representing Jerusalem since 2007. He served as PM Fayyad's advisor for Jerusalem Affairs in the previous government. The creation of a Ministerial-level position is new.

20) Minister of State: Maher Ghneim - Fatah; newly appointed

Ghneim was born in Amman in 1960 and earned a B.S. in Civil Engineering in Algeria. He returned to the West Bank in the late 1990s. Since 2003, Ghneim has been under-secretary of the PA Ministry of Public Works, where he has worked closely with the Consulate and USAID on development issues. He is the eldest son of Mohammad Ghneim, a senior FCC member based in Amman and Tunisia.

21) Cabinet Secretary: Hassan Abu Libdeh - Fatah affiliated; newly appointed

Abu Libdeh was born in 1954. He received a BSC in Mathematics from Birzeit University in 1979, an MSC in Statistics from Stanford University (CA) in 1981, and an MSC and PhD in Applied Statistics from Cornell University (NY) in 1986 and 1988. In 1993 he founded and was president of the Palestinian Central Bureau of Statistics. Abu Libdeh has been serving as a senior advisor to PM Fayyad since 2007. In 2008 he organized the Palestine Investment Conference in Bethlehem, which is recognized as a significant success for

the previous government. He has since developed the financial programs incorporated into the PA's Gaza Early Recovery and Relief Plan that was presented in Sharm el-Sheikh in March 2009.

¶9. (SBU) The following cabinet members will be publicly sworn in as soon as they are able to depart Gaza:

-- Environment: Yousef Abu Safiyeh - Fatah affiliated

Born in Gaza on 1949, he received a BSC in Public Health in 1972 and an MSc from the American University in Beirut in ¶1977. He earned a PhD in Environmental Science from the University of Texas in 1986. He was appointed PA Minister of Environmental Affairs in August 1998 and was nominated Chairman of the PLC Committee on Natural Resources in August ¶1998. He has participated in previous peace negotiations as part of the Multilateral Working Group on Environment. Abu Safiyeh is Chairman of the Palestinian Environmental Quality Authority.

-- Youth and Sports: Jaber al-Daour - Fatah affiliated

Al-Daour was born in 1964 and has a PhD in Accounting from the University of Manchester. He joined Fatah in 1982 and was active in the Fatah Youth organization in Gaza. He worked as director of al-Quds Open University in northern Gaza and also taught at al-Zahar University. Al-Daour headed the Palestinian Accounting Association representing Fatah.
WALLES